



United States Department of Agriculture
Risk Management Agency

Dec. 2004

2005 COMMODITY INSURANCE FACT SHEET

Corn

CT, DE, ME, MD, MA, NH, NJ, NY, NC, PA, RI, VT, VA, WV

Crop Insured

Insurable corn includes field corn planted for harvest as grain or silage (if provided for on the county actuarial tables). Corn may be of yellow dent, white, mixed yellow and white, waxy, or high-lysine varieties. Excluded from coverage are any varieties of high-amylase, high-oil, high-protein, flint, flour, Indian, or blue corn. Corn varieties genetically adapted to provide forage for wildlife and open-pollinated varieties are not insurable. Silage-only corn varieties cannot be insured for grain.

Causes of Loss

Adverse weather conditions¹
Fire
Insects²
Plant disease²
Wildlife

¹Natural perils such as hail, frost, freeze, drought, and excess precipitation.

²But not damage due to insufficient or improper application of pest or disease control measures.

Insurance Period

Coverage begins when the crop is planted and ends at the earliest of: (1) total destruction of the crop, (2) harvest of the corn or silage, (3) abandonment of the crop, (4) final adjustment of a loss, (5) December 10, 2005 (grain in all states), (6) September 30, 2005 (silage in NC & VA), or (7) October 20, 2005 (silage in DE, MD, WV & states north thereof).

Important Dates

Sales Closing¹..... February 28, 2005
Sales Closing²..... March 15, 2005

¹NC

²Other States (CT, DE, ME, MD, MA, NH, NJ, NY, PA, RI, VT, VA, WV)

Note: Final planting and acreage reporting dates vary by State and county. Please consult a crop insurance agent.

Definitions

Production Guarantee— Number of bushels or tons guaranteed, determined by multiplying your average yield (based on your records) times the coverage level percentage you elect.

Price Election— The price used to calculate your premium or indemnity. Price elections are posted on the RMA website at:

<http://www3.rma.usda.gov/apps/pricesinquiry/>

Coverage Levels and Premium Subsidies

Your bushel guarantee depends on the coverage level you choose. Coverage levels range from 50 to 75 percent of your average APH yield (up to 85 percent in certain counties in DE, MD, NC, PA, & VA). For example, an average corn yield of 100 bushels per acre results in a guarantee of 75 bushels per acre at the 75-percent level. Crop insurance premiums are subsidized as shown in the following table. For example, if you selected the 75-percent coverage level, your premium share would be 45 percent of the base premium:

Item	Percent					
Coverage Level	50	55	60	65	70	75
Premium Subsidy	67	64	64	59	59	55
Your Premium Share	33	36	36	41	41	45

Catastrophic (CAT) Coverage is fixed at 50 percent of average yield and 55 percent of the price election. CAT is 100 percent subsidized with no premium cost to you except for an administrative fee of \$100, regardless of the acreage.

Price Election

\$2.20 per bushel

Replant Provision

(Not available under catastrophic coverage)

A replanting payment is allowed if your corn crop is damaged by a covered cause of loss to the extent that the remaining stand will not produce at least 90 percent of your bushel guarantee and it is practical to replant. The maximum payment will be the price election multiplied by 8 bushels (or 1 ton for silage).

Late and Prevented Planting

These provisions provide reduced protection on acreage that is planted late or that cannot be planted by the final planting date or within the late planting period. Consult a crop insurance agent for more details.

Group Risk Plan (GRP)

This type of coverage on corn is available in certain counties in Delaware, Maryland, North Carolina, Pennsylvania, and Virginia. GRP coverage is based on the average county-wide yield rather than a grower's individual farm yields. Coverage levels up to 90 percent of the expected county yield can be obtained at rates generally lower than traditional crop insurance. This lower-cost coverage might especially appeal to growers whose yields vary directly with county yields and who do not wish to furnish individual yield records.

Loss Example

This example is based on actual production history (APH) yield of 100 bu/ac, 65% coverage level, non-irrigated, and one basic unit.

100	Bushels per acre average yield (APH)
<u>x .65</u>	Coverage level percentage
65	Bushels per acre guarantee
<u>- 15</u>	Bushels per acre actually produced
50	Bushels per acre loss
<u>x \$2.20</u>	Price election
\$110	Gross indemnity per acre
<u>- \$5</u>	Estimated premium per acre (varies by county)
\$105	Net indemnity per acre

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